



**United States Department of Transportation (DOT)
Pipeline and Hazardous Materials Safety Administration (PHMSA)**

**FY 2016 Hazardous Materials Emergency Preparedness (HMEP) Grant Program
Funding Opportunity Announcement**

This document is intended to guide States and Territories in applying for training and planning grants under the Hazardous Materials Emergency Preparedness (HMEP) program.

For further information, contact the HMEP Grants Program group at HMEP.Grants@dot.gov or call (202) 366-1109.

Agency Name: U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA)

Funding Opportunity Name: Hazardous Materials Emergency Preparedness (HMEP) Grant Program

Announcement Type: Initial Solicitation

Funding Opportunity Number (States & Territories): HM-HMP-16-001

Catalog of Federal Domestic Assistance Number: 20.703

Key Dates: The deadline for submission is 5:00 PM Eastern Standard Time, May 2, 2016.

****Applicants must ensure SAM.gov and Grants.gov registrations and passwords are current immediately. Deadline extensions will not be granted for lack of registration. Registration in all systems, including SAM.gov and Grants.gov, may take up to one month to complete.**

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A. PROGRAM DESCRIPTION

1. Program Overview

The Hazardous Materials Transportation Uniform Safety Act of 1990 (P.L. 101-615), authorized DOT to provide assistance to public sector employees through training and planning grants to States, Territories, and federally recognized Native American Tribes for emergency response. The purpose of this grant program is to increase State, Territorial, Tribal, and local effectiveness in safely and efficiently handling hazardous materials incidents, enhance implementation of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA), and encourage a comprehensive approach to emergency training and planning by incorporating the unique challenges of responses to transportation situations. The HMEP program is authorized under 49 United States Code (U.S.C.) § 5116 and is governed by program regulations at 49 Code of Federal Regulations (CFR) part 110 and Federal grants administration regulations at 2 CFR part 200.

On December 4, 2015, The Fixing America's Surface Transportation (FAST) Act was signed into law (Public Law No: 114-94). The FAST Act reauthorized the HMEP Grant Program through Fiscal Year (FY) 2020. Also, Title VII, Section 7203 of the FAST Act amended 49 U.S.C. § 5116 to combine planning and training grants into Section 5116 (a). Therefore, beginning in FY16 HMEP applicants are no longer required to separately apply and account for planning and training funds.

Under 49 U.S.C. § 5116, Training and Planning Grants are available to:

- (1) Develop, improve, and carry out emergency plans under the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. § 11001 et seq.), including ascertaining flow patterns of hazardous material on lands under the jurisdiction of a State or Native American tribe, and between lands under the jurisdiction of a State or tribe and lands of another State or tribe.
- (2) Train public sector employees to respond to accidents and incidents involving hazardous material incidents. To the extent that a grant is used to train emergency responders, the applicant must ensure that the emergency responders who receive training under the grant will have the ability to protect nearby persons, property, and the environment from the effects of accidents or incidents involving the transportation of hazardous material in accordance with existing regulations.

2. Funding Priorities

There are several changes to the FY 2016 HMEP grant cycle. (1) The HMEP grant program has merged the separate planning and training grants into one grant. (2) There is no longer a 75% LEPC pass-through requirement. However, there remains a 75% programmatic requirement that at least 75% of requested Federal funding must be for allowable planning and training programmatic activities. This allows for 25% of the Federal grant costs to be used for administration and maintenance costs (M&A) that may be necessary for oversight of the grant program. (3) The FY16 HMEP grant cycle is for a 3-year period of performance. Continuing applications will be requested and reviewed in Year-2 and Year-3 according to the Terms and Conditions of the grant award.

In previous HMEP grant cycles, due to the 75% pass-through requirements, applicants would occasionally indicate that the subgrant process could not be identified at the time of application submission. **However, in FY 2016, applications for grant funding must fully describe the proposed grant activities that will take place.** Subgrant processes should be completed prior to the application submission, or activities should be estimated based upon the needs assessment and/or historical grant activity data. Simply indicating that 75% of funding will be subgranted will not be acceptable. Applicants that cannot adequately describe how the HMEP grant funds will be spent may not receive an HMEP grant award in FY 2016.

For the FY 2016 grant cycle, and subsequent cycles moving forward, applicants are encouraged to allocate funding towards developing or revising emergency plans and training activities to account for bulk transportation of energy products by rail and over the road. Applicants are also encouraged to conduct commodity flow studies to determine the frequency and quantity of hazmat shipments being transported through local communities, and train emergency responders to respond appropriately to incidents involving bulk shipments of energy products as well as other hazmat.

When drafting applications, PHMSA encourages applicants to consider the following topics:

- Current risk involving transport by all modes of energy products such as crude oil, ethanol, and liquefied natural gas (LNG);
- Current state of operational readiness/capability;
- Familiarity with bulk shippers emergency response plans/procedures;
- Available training resources (sources, accessibility, gaps in training); and
- Needs of emergency responders/public safety agencies.

PHMSA is committed to working with each HMEP grantee to ensure they have the necessary tools and information to maximize the use of the HMEP grant award. PHMSA understands the importance of emergency preparedness and the safety impact it has on local communities. PHMSA appreciates your hard work and steadfast commitment to the HMEP Grant Program as it embarks upon another successful HMEP program year.

For more information on the Safe Transportation of Energy Products (STEP), please visit the PHMSA website at <http://www.phmsa.dot.gov/hazmat/osd/calltoaction>.

3. Indicators of Successful Projects

Successful HMEP Grant Projects:

- Thoroughly identify and assess the needs of the State or Territory as it relates to preparedness for hazmat transportation incidents.
- Develop detailed, allowable and measurable HMEP project activities to address those needs.
- Submit a comprehensive and clear project and budget narrative as part of the HMEP grant application.

- Submit reports on time and respond promptly to questions from PHMSA staff.
- Develop robust monitoring and evaluative framework for ensuring that HMEP grant project activities are completed on schedule, and that any challenges are mitigated.

B. FEDERAL AWARD INFORMATION

1. Funding Availability and Number of Expected Awards

Subject to availability, PHMSA plans to award approximately \$19,300,000.00 in total funding to States and Territories. Historically, PHMSA awards approximately 55 grants under the HMEP program. PHMSA will send potential State and Territory applicants an allocation letter, advising them of the maximum target amount of Federal funds available to them for application. Funding is dependent on the applicant's compliance with HMEP Grant Program statutory requirements and satisfactory submission of the information required by this funding announcement.

To ease the transition from past allocations to allocations using the new formula, which we've discussed at grantee conferences and during our application webinars, in FY 2016 we are considering past performance. In subsequent years, we will fully apply the new risk-based formula with a 25% base and a \$1.5M cap,

The award amounts are determined by considering the following key factors for each State. Until PHMSA has current risk data, the territories will receive funding allocations used in previous years.

- 2010 US Census state-level population density
- Incident frequency
- Average cost of incident by transport mode (rail, water, air, highway)

2. Project and Budget Periods

Funds are available per The Bipartisan Budget Act of 2015, P.L. 114-74. Funding will be provided on the basis of three-year budget and project periods. The anticipated start date for the FY2016 HMEP grant program is September 30, 2016. The anticipated period of performance will be 09/30/2016 – 09/30/2019.

The FY 2016 HMEP grants have a 3-year period of performance. The first year is the competitive grant application. Continuing applications are submitted in subsequent years and describe in detail the proposed activities for the upcoming year, or explain any changes in previously approved activities. Continuing applications must adhere to the requirements listed in the terms and conditions of the FY 2016 grant award.

Continuing Applications for Year - 2 are due on June 30, 2017.

Continuing Applications for Year - 3 are due on June 30, 2018.

Future year funding is dependent on the applicant's progress. Year 1 funds will automatically carry over to Year-2.

Year-3 funds may be offset, if grantees are found to lack basic levels of progress in the grant project across the first 2 years. Funds that are offset will be placed in an offset pool, which will be available for other grantees to apply for via supplemental requests in Year 3. The terms and conditions of the award will identify what constitutes as insufficient progress, which may trigger an offset.

3. Applications for Renewal or Supplementation

Applications for renewal or supplementation of existing projects are eligible for submission. FY 2016 HMEP applicants should assess the needs of their state transportation hazmat preparedness over the next 3 years and submit applications accordingly. However, applicants may include programmatic elements that build upon previously funded projects (e.g., commodity flow studies).

4. Funding Instrument

PHMSA will only consider grant agreements as the funding instrument for the FY 2016 HMEP Grant Program. *Grant agreement* means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. §§ 6302 and 6304.

C. ELIGIBILITY INFORMATION

1. Eligible Applicants

The FY 2016 HMEP Grant Program is open to States, Territories and federally recognized Native American Tribes. States and Territories are defined at 49 U.S. Code § 5116 as a State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, Guam, and any other territory or possession of the United States designated by the Secretary. Additional statutory requirements for eligibility are listed below. During the application review process, PHMSA reserves the right to request missing eligibility documents to ensure applicants are eligible to receive an award. Applications missing required eligibility documents by the application deadline may run the risk of losing consideration for funding.

The following describes eligibility requirements for the FY 2016 HMEP Grant Program. *Please note: These requirements are further elaborated in Section E, which should be consulted for specific, sequential required elements.*

- Training and planning grant applications from a State, Territory or Tribal organization must be accompanied by a letter from the Governor or Tribal Authority designating an entity to receive Federal funds. DOT encourages the designated entity to obtain substantive knowledge of the

status of training and planning under EPCRA, and familiarity with State, Tribal or local emergency preparedness and response capabilities and training needs.

- Applicants are to submit a statement that all members of the State Emergency Response Commission (SERC) or Tribal Emergency Response Commission (TERC) have been given an opportunity to review the grant application.
- In accordance with 42 U.S. Code § 11001, Establishment of State commissions, planning districts, and local committees, the applicant must confirm that a SERC/TERC has been established, emergency planning districts have been designated, and Local Emergency Planning Committees (LEPC) have been appointed by the SERC/TERC.
- The applicant must agree that the aggregate expenditure of funds (as defined by the State or Territory), exclusive of Federal funding, for planning activities will not fall below its average expenditure for its last 5 fiscal years.
- The State or Territory must certify that 75% of HMEP Federal funding will be used for programmatic activity.
- The State or Territory must certify that the person it authorizes to provide training agrees to have an auditable accounting system.

Note: The requirements for submitting this information are included in Section E, Application Review Information - Part 1: Criteria.

2. Cost Sharing or Matching

In accordance with 49 U.S. Code § 5116(d), States, Native American Tribes and The Commonwealth of Puerto Rico must contribute a minimum of 20% matching share to the total cost of the grant project. Thus, if the total cost of the project is \$50,000, the State must provide at least \$10,000, and DOT will provide no more than \$40,000. The matching requirement must be satisfied by costs incurred by the grantee or by the value of in-kind contributions. All matching funds must meet the Federal requirements as described in 2 CFR § 200.306 *Cost sharing or matching*.

Funds or costs used for matching purposes under any other Federal grant or cooperative agreement may not be used for HMEP matching purposes. The 5-year averaged non-Federal aggregate amount cannot be used for matching.

Applicants must clearly indicate in the budget narrative how the matching requirements will be met for the project. The budget narrative guidance document in Section H contains additional information on how to include match in the grant application. Do not enter matching amounts in Section B of the SF-424A.

3. Other Requirements

Suspension and Debarment

Per 2 CFR § 200.212, non-Federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Subrecipient monitoring and requirements for pass-through entities

Applicants must comply with the provisions for subawards stipulated at 2 CFR § 200.331. This includes requirements that all pass-through entities must:

- Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information required by 2 CFR § 200.331 at the time of the subaward.
- Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

D. APPLICATION AND SUBMISSION INFORMATION

1. Address to Request Application Package

PHMSA requires applicants for this funding opportunity announcement to apply electronically through Grants.gov. Applicants must download the application package associated with this funding opportunity following the directions provided at [Grants.gov](https://www.grants.gov).

The application package contains the required electronic forms and the ability to upload attachments for the budget, budget justification, project narrative, assurances, and certifications. The applicant must submit the information outlined in the Application Guide in addition to the program-specific information below.

2. Content and Form of Application Submission

Applications should be well written and free of mathematical errors in the line-item budget and budget narrative. Program narratives should have the sections clearly identified and follow the structure requested in this funding opportunity announcement.

3. Dun and Bradstreet Universal Numbering System (DUNS) Number and System for Award Management (SAM)

Each applicant (unless the applicant has an exception approved by the Federal awarding agency under 2 CFR § 25.110) is required to:

- (a) Be registered in SAM before submitting its application;
- (b) Provide a valid DUNS number in its application; and
- (c) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

PHMSA may not make a Federal award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time the PHMSA is ready to make a Federal award, PHMSA may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4. Submission Dates and Times

The due date for submission is 5:00 PM Eastern Standard Time on May 2, 2016. PHMSA is not obligated to make an award to applications that are delinquent and/or incomplete. Applications must be submitted electronically through the grants.gov system. Delinquent and incomplete applications will be considered for extension and submission of missing documents on a case by case basis. Applicants missing required elements may be contacted by PHMSA staff for missing information, and will be required to adhere to a 48-hour deadline for response in order to be considered for funding.

5. Funding Restrictions

The following costs are not eligible for reimbursement under the HMEP Program:

- (a) Expenses not related to the transportation of hazardous materials.
- (b) Expenses claimed and or reimbursed by another program.
- (c) Expenses counted as match funds toward another Federal program.
- (d) Expenses that supplant existing operational funds/programs.
- (e) Entertainment, alcohol, morale costs.
- (f) Any costs disallowed or stated as ineligible in 2 CFR part 200.
- (g) Excessive costs for general office supplies, equipment, computer software, printing and copying.

E. APPLICATION REVIEW INFORMATION

1. Criteria

Applications for HMEP funding should be submitted in electronic format in grants.gov according to the following outline. There are two sections: (1) standard forms that the applicant will upload and complete from grants.gov under the FY 2016 HMEP funding announcement; and (2) attachments the applicant will need to create themselves and upload.

Standard Forms

These forms are found in grants.gov under the FY 2016 HMEP funding announcement and must be completed by the applicant.

- SF-424 - Application for Federal assistance
- SF-424A - Line-item budget
- SF-424B - Standard Assurances
- ED-80-0013 - Certifications Regarding Lobbying; Debarment, Suspension, Drug-Free Workplace etc.
- Standard Title VI/Non-Discrimination Assurances - Civil Rights Assurances

The SF-424 application period of performance should be for 09/30/2016 – 09/30/19 Only list Year-1 funds in Section 18.

The SF-424A budget should include Year 1 funds only. Enter the Federal, match and total amounts in Section A in the respective columns. Planning and Training should be combined on the SF-424A, do not use separate columns. Section B should reflect Federal funds only!

Applicant Attachments to be submitted

These forms must be created by the applicant and uploaded to grants.gov under the FY16 HMEP funding announcement. Guidance for submitting the project narrative and budget narrative is listed in the following section.

- Project Narrative Attachment
- Budget Narrative Attachment
- Indirect Cost Agreement (*if applicable*)
- Additional Optional Attachments (*if applicable*)

Project Narrative - Required Sections

The following sections are required. To facilitate the application review and award process, the sections should be submitted in sequential order as stated below. Applicants should clearly identify the sections in the project narrative. Applications that do not clearly identify these sections may not be recommended for funding.

(a) Cover Letter from the Governor designating the entity to receive Federal funds.

(b) Organization and Point of Contact Information. (1) Indicate the agency name and address, and Agency Director's name. (2) Briefly provide information about your organization. Explain your agency's mission and explain how the subject of the proposal fits within or extends that mission. (3) Provide a brief overview

of the structure of your organization, programs, leadership, and special expertise. (4) Identify the designated project manager(s) including the name, position, address, email address, and telephone number of the individual(s) who will be responsible for coordinating the funded activities.

- (c) **Transportation Fees.** Explain whether the State/Territory or Tribe assesses and collects fees on the transportation of hazardous materials and whether such assessments or fees are used solely to carry out purposes related to the transportation of hazardous materials.
- (d) **SERC review of grant application.** Provide a brief statement indicating that all members of the SERC were provided the opportunity to review the grant application.
- (e) **Statement of aggregate expenditures** – Provide a statement that aggregate expenditure of funds for this purpose, exclusive of Federal funds, will not fall below the average level of its expenditures for its last 5 fiscal years.
- (f) **Statement of 75% programmatic requirement** – Provide a statement certifying that 75% of grant funding will be used for HMEP programmatic activities and no more than 25% of Federal funding will be used for maintenance and administration costs (M&A). There is no 75% LEPC *pass-through* requirement in FY 2016.
- (g) **Statement of auditable accounting system** – Provide a statement certifying that the applicant authorized to provide training agrees to have an auditable accounting system.
- (h) **Planning and Training Needs Assessment.** Describe the current capacity and any areas of deficiency as it concerns preparedness for the transportation of hazardous materials. This may include:
 - (1) A discussion of whether the applicant has identified a need to assess transportation flow patterns of hazardous materials within the State, or between the State and another state; and
 - (2) Providing the number of hazmat preparedness plans that need updating.
 - (3) Describing the location and need for exercises to be conducting that involve preparation for response to incidents involved in the transportation of hazardous materials.
 - (4) Providing the number of responders needing training and the number of persons currently trained in the different disciplines of response functions (e.g., number of firefighters, EMTs, EMSs that need training);
- (i) **Planning and Training Activities.** Clearly describe the proposed HMEP project activities to be undertaken during the period of performance. Explain how the proposed grant activities will increase program effectiveness and address gaps identified in the needs assessment. This should be the most detailed and comprehensive section of the project narrative. Providing a statement that 75% of funds will be subawarded does not satisfy the requirements of this section.

*Note – the activities in Year 1 must be completely defined. You may include detailed targets for Year 2 and Year 3, or estimates.

(j) Outputs and Objectives. Include measurable outputs related to hazardous materials planning to be accomplished during the grant's period of performance. In addition, applications should include long-term program objectives. Outputs may include the number of plans updated, number of commodity flow studies conducted, number of exercises conducted, number of public sector personnel trained – courses taken and contact hours, or any other relevant outputs related to preparedness of hazmat transportation.

*Note – the outputs in Year 1 must be completely defined. You may include detailed targets for year 2 or year 3, or estimates.

(k) Project Timeline. Provide a schedule for implementing the proposed hazardous materials planning and grant activities in the upcoming project period. Include benchmarks and milestones that will assist with monitoring of the grant program's success.

*Note – the timeline for Year 1 must be completely defined. You may include detailed targets for Year-2 and Year-3, or estimates.

(l) Monitoring. Provide a description of the monitoring and evaluation activities that will be conducted to ensure that the grant activities are successfully carried out according the activity timeline. Include an explanation of quality control measures, including but not limited to random examinations, inspections, and audits of planning activities, to maximize the cost effectiveness and impact of the program.

*Note – Monitoring Plan for Year-1 must be completely defined. You may include detailed targets for Year-2 and Year-3, or estimates.

Budget Narrative

A budget narrative is a narrative explanation of each budget component that supports the costs of the proposed work. The budget narrative should focus on how each budget item is required to achieve the proposed project goals and objectives. It should also justify how budget costs were calculated. The budget narrative should be specific, detailed, mathematically correct, and correspond to the SF-424A line-item categories.

Provide a budget narrative justification by Object Class that corresponds to the amount listed on the SF-424A and why the amount is needed to implement the project as proposed in the project narrative. The budget narrative must correspond to the costs requested in the SF-424A line item budget, and vice versa. A description of the object class category is provided below:

1. **Personnel** costs are the employee salaries working directly on the grant project. Include the number, type of personnel, the percentage of time dedicated to the project, hourly wage (or salary) and total cost to the grant.
 - This category is limited to only persons employed by your organization. Those not employed by your agency shall be classified as subgrants or contractors and should be listed under the "Contractual" object class.

- Only include compensation paid for employees engaged in grant activities.
 - Costs should be consistent with that paid for similar types of work within the organization.
2. **Fringe Benefit** costs are the allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe costs are benefits paid to employees, including the cost of employer's share of FICA, health insurance, workers' compensation, and vacation. Include how the fringe benefit amount is calculated (i.e., actual fringe benefits estimate, approved rate, etc. Include a description of specific benefits charged to a project and the benefit percentage. Additional considerations:
 - The personnel/salaries should have corresponding fringe; and vice-versa. PHMSA cannot pay fringe benefits for a position that is not listed in the Personnel section.
 - Explain what is included in the benefit package and at what percentage.
 - Fringe benefits are only for the percentage of time devoted to the grant project.
 - The applicant should not combine the fringe benefit costs with direct salaries and wages in the personnel category.
 3. **Travel:** Travel costs are those costs requested for field work or for travel to professional meetings associated with grant activities. Provide the purpose, method of travel, number of persons traveling, number of days, and estimated cost for each trip. If details of each trip are not known at the time of application submission, provide the basis for determining the amount requested.
 4. **Equipment:** Equipment costs includes those items that are tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit - unless the applicant has a clear and consistent written policy that determines a different threshold. Include a description, quantity and unit price for all equipment.
 - Purchases of less than \$5,000 should be listed under "Supplies" or "Other."
 - Each item of equipment must be identified with the corresponding cost. General-purpose equipment must be justified as to how it will be used on the project.
 - Analyze the cost benefits of purchasing versus leasing equipment, particularly high-cost items and those subject to rapid technical advances. List rented or leased equipment costs in the "Contractual" or "Other" category, depending upon the procurement method.
 5. **Supplies** are tangible personal property other than equipment. Include the types of property in general terms. It is not necessary to document office supplies in great detail (for example: reams of paper, boxes of paperclips, etc.). However, applicants *should* include a quantity and unit cost for larger cost supply items such as computers and printers.

6. **Contractual** costs are those services carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. There are two ways to capture costs in this category: subgrants and contracts.

*A **Subgrant*** – is an award provided by a pass-through entity (State or Territory) to a subrecipient. That subrecipient carries out part of a program for which the State or Territory received Federal support. A subgrantee has its performance measured in relation to whether objectives of a Federal program were met; has responsibility for programmatic decision making; is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (in accordance with its agreement), uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

*A **Contract*** - is a legal instrument by which a Grantee Recipient purchases property or services needed to carry out the project or program under an award. A contract/contractor provides the goods and services within normal business operations; provides similar goods or services to many different purchasers; normally operates in a competitive environment; and provides goods or services that are ancillary to the operation of the Federal program.

For all contractual line-item costs, include the rationale for the amount of the costs and include the specific contract goods and/or services provided and the related expenses for those goods and services. Simply entering the statement “contractual services” will not be considered sufficient for the requirement of completing this section.

Subgrants must be listed under Contractual in the SF-424A. They must be clearly identified as subgrants in the budget narrative.

7. **Other** costs do not fit any of the aforementioned categories, such as rent for buildings used to conduct project activities, utilities, leased equipment, employee training tuition, etc. “Other” direct costs must be itemized.
8. **Indirect Costs (if applicable):** Indirect costs are allowable in the HMEP grant. If the rate will not be approved by the application due date, attach the letter of renewal or letter of request that you sent to your cognizant agency to your application. The applicant must include a signed copy of the approved negotiated rate agreement that is valid as of the date of the application. If the applicant does not have an approved indirect cost rate agreement, the applicant may be eligible for the 10% de minimis rate provided by 2 CFR § 200.414.
9. **Match:** The total matching requirement should be listed in Section A and Section C of the SF-424A line-item budget. Please only include the Federal-share of costs in Section B of the SF-424A. The budget narrative is where the matching requirements should be captured. Within the applicable object class category in the budget narrative, (Personnel, Supplies, etc), detail the matching requirements.

Please ensure that the match is clearly identified in the budget narrative. Provide an explanation as to the amount to be matched and how it was determined. Matching funds should be described in the same manner as if they were the Federal share of costs.

2. Review and Selection Process

PHMSA utilizes a formula to inform applicants what funding amount is available for them to apply for. However, PHMSA will review applications based upon merit, including the clarity of the project narrative and reasonableness of cost as described in the budget narrative. PHMSA reserves the right to make adjustments that are beneficial to the goals of the HMEP grant program. A review panel of Federal agency representatives with expertise in the Hazardous Materials Emergency Preparedness grant program will evaluate the grant applications. Each grant application will be evaluated in accordance with the criteria listed below. Special emphasis will be placed on reviewing whether or not the application has a coherent project narrative that follows the outline of this funding announcement, and whether or not the costs described in the budget narrative appear to be necessary, reasonable, allowable and allocable.

The agency may ask an applicant to modify its objectives, work plan, or budget and provide supplemental information prior to award. As a result of the review process, grant awards may include special terms and conditions. The PHMSA Administrator or the Administrator's delegate will have the final approval to evaluate and select applicants and award financial assistance. The Administrator's decision is final. Applications will be evaluated as exceptional, acceptable, or unacceptable.

Exceptional	The application demonstrates that the requirements of the funding announcement are very well understood and the approach will likely result in a very high quality performance. The application clearly addresses and exceeds requirements with no significant weaknesses. The application contains outstanding features that meet and/or exceed the expectations of the Government. The risk of poor performance is low.
Acceptable	The application demonstrates that the requirements of the funding announcement are understood and the approach will likely result in satisfactory performance. The application addresses and meets requirements with some minor but correctable weaknesses and/or deficiencies noted. The application demonstrates at least minimum requisite experience, qualifications, and performance capabilities. The risk of poor performance is no more than moderate.
Unacceptable	The application does not meet the requirements of the funding announcement. The approach, if approved in current form, will likely result in unsatisfactory performance. The application fails to address requirements, or, although it addresses and may partially satisfy some requirements; major weaknesses and/or deficiencies are noted. The risk of poor performance is high.

Year 3 Supplemental Funding Review

In the Year-3 continuing application (due 06/30/2018), applicants will have the opportunity to identify and describe supplemental projects, beyond their Year-3 funding allocation, for consideration for supplemental funding from the HMEP grant program.

PHMSA Grants staff will review supplemental requests and take the following into consideration:

1. The level of need for the supplemental project based upon the applicant's needs assessment submitted in the Year-3 Continuing Applications.
2. The applicant's history of performance – including previous experience in completing activities according to the approved application and timeline as well as spending patterns that indicate progress is acceptable. Mid-year reports will be reviewed by PHMSA staff to determine progress.
3. Timeliness of reporting.
4. Site visit, desk review, single audit findings, or other monitoring activities that indicate the level of performance or risk of managing additional funds.
5. Availability of funds for supplemental projects.
6. PHMSA priorities for supplemental projects.

****Please note – supplemental requests will not be accepted until Year-3 continuing applications are due (June 30, 2018).**

3. Anticipated Announcement and Federal Award Dates

PHMSA plans to make awards in September 2016 with a proposed start date of September 30, 2016.

- Year 2 Continuing Applications will be due on 06/30/2017. Amended Year 2 NGAs will be issued 09/30/2017. The grant number will remain the same.
- Year 3 Continuing Applications will be due on 06/30/2018. Year-3 NGAs will be issued 09/30/2018. The grant number will remain the same.

The FY 2016 HMEP grant award terms and conditions will contain additional information for submitting continuing applications in Year-2 and Year-3.

F. FEDERAL AWARD ADMINISTRATION INFORMATION

1. Federal Award Notices

Applicants receive electronic notification of the receipt of a Federal Award. Upon notification, an applicant's authorized official must sign the award within the timeframe prescribed by PHMSA.

2. Administrative and National Policy Requirements.

The administration of HMEP grant awards between PHMSA and the Recipient will be based on the following Federal statutory and regulatory requirements:

- The authorizing language of 49 U.S.C. § 5101 et seq.
- Program regulations found at 49 CFR part 110, Hazardous Materials Public Sector Training and Planning Grants.
- Uniform administrative requirements, cost principles, and audit requirements for Federal awards at 2 CFR part 200.
- The applicant must comply with 49 CFR part 20, "New Restrictions on Lobbying." 49 CFR part 20 is incorporated by reference in this award.
- The applicant must comply with Title VI of the Civil Right Act of 1964, which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied benefits of, be subject to discrimination under any program or activity receiving Federal financial assistance.
- The applicant must comply with 49 CFR part 21, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964."
- The applicant must comply with 49 CFR part 32, "Government wide Requirements for Drug-Free Workplace (Financial Assistance)," which implements the requirements of Public Law 100-690, Title Subtitle D, "Drug-Free Workplace Act of 1988."

3. Reporting

Mid-year and Annual Report(s) - Each grant recipient is required to submit a mid-year Federal financial report (SF-425) and an annual performance report. The reports must follow the instructions outlined in the terms and conditions of the grant award.

Bi-annual Federal financial reports are to be submitted through the Grant Solutions system.

Annual performance reports are to be submitted via the HMEP email inbox at HMEP.Grants@dot.gov. The reports must follow the instructions outlined in the terms and conditions of the grant award.

Bi-annual performance reports may be required. The reports, if required, will be outlined in the terms and conditions of the grant award.

Final Reports - Each recipient is required to submit a final progress report and final Federal financial report (Final SF-425).

Final financial reports are to be submitted in Grant Solutions no later than 90 days after the project period end date. Final reports must follow the instructions outlined in the terms and conditions of the grant award.

Final progress reports are to be submitted through the HMEP email inbox at HMEP.Grants@dot.gov. The reports must follow the instructions outlined in the terms and conditions of the grant award.

G. FEDERAL AWARDING AGENCY CONTACT(S)

For further information, contact the HMEP Grants Program group at HMEP.Grants@dot.gov or call (202) 366-1109.